

CONDITIONS OF PEACE
ACCEPTED BY SPANIARDSAdministration at Washington Believes the End of
the War Is Near.AN ARMISTICE WILL BE ARRANGED
AND PEACE COMMISSIONERS NAMEDOfficial Statement As to the Terms of Peace Offered By
the United States.

Washington, Aug. 2.—The following is an official statement given out by authority of the president today as to the terms of peace offered by the United States:

In order to remove any misapprehension in regard to the negotiations as to peace between the United States and Spain, it is deemed proper to say that the terms offered by the United States to Spain in the note handed to the French ambassador on Saturday last are in substance as follows:

The president does not now put forward any claim for pecuniary indemnity, but requires the relinquishment of all the claim of sovereignty over or title to the island of Cuba, as well as the immediate evacuation by Spain of the island; the cession to the United States and immediate evacuation of Porto Rico and other islands under Spanish sovereignty in the West Indies, and the like cession of an island in the Ladrone. The United States will occupy and hold the city, bay and harbor of Manila pending the conclusion of a treaty of peace, which shall determine the control, disposition and government of the Philippines. If these terms are accepted by Spain in their entirety, it is stated that commissioners will be named by the United States to meet commissioners on the part of Spain for the purpose of concluding a treaty of peace on the basis above indicated.

TERMS ARE ACCEPTED.

Administration Receives Unofficial
Advices to This Effect.

Washington, Aug. 2.—Shortly before midnight Secretary Alger, as he left the White House, after a conference with the president, said the administration had received no official information that the Madrid government had accepted the terms of peace proposed by the United States.

Unofficially the president had been informed that the Spanish ministry had accepted the terms of this country for a cessation of the war. The unofficial news reached the president in the form of a private dispatch from the United States. While this government has strong reasons for believing that its terms of peace have been agreed to by the Madrid government, the president is taking nothing for granted. Arrangements for pressing the war to a successful conclusion are going forward precisely as if no negotiations for peace were in progress. Notwithstanding these warlike preparations, the belief in official circles tonight amounts almost to a conviction that active hostilities have been practically concluded. A prominent official of the administration said: "This is near, in my opinion. The information thus far received is unofficial and meagre, but that it is accurate in the main we have reason to believe it is correct."

It is understood that the reason referred to is contained in the private advices received by the president and from private sources. The United States has as yet reached the French ambassador. Upon its receipt it will be transmitted to the president without delay.

In the event of Spain's acceptance of the terms proposed by this country, the first step probably will be towards an agreement to close active hostilities, pending the drafting of a treaty of peace along the lines of the accepted terms. According to precedents ordinarily regarded, an armistice will be proclaimed, and in the circumstances this would mean the practical close of the war.

It is pointed out, however, that several precedents have been set aside by this government in the conduct of the war and in the treatment of events which led up to it. One notable instance in which the recognized diplomatic precedents were swept away was the personal demand made by Secretary Day upon Minister De Lome to know whether the Spanish minister was the author of the letter reflecting upon the president. Another precedent was disregarded in other instances by this government. In view of this fact, therefore, precedent may not govern absolutely in the conduct of the peace negotiations.

PEACE COMMISSION.

After the proclamation of an armistice, diplomatically the next step would be the designation by the president of the commissioners to represent the United States in the conduct of the final negotiations of peace. The terms proposed by this government provide for a joint commission to draft a peace treaty and to solve the difficulty relative to the future government of the Philippines. Again, according to the best accepted precedents, this joint commission would meet upon neutral ground. It has been suggested that the commission may assemble in Paris, but as yet that is the most conjecture. The commission might meet in either of the belligerent countries.

Pending the conclusion of the work of the commission, the probabilities are that the armies of both Spain and the United States will be kept in the field, their relative positions remaining unchanged during the diplomatic negotiations. Here, again, however, precedent may be put aside by the United States, but it is regarded as probable that this country will not withdraw any of the troops from the field until a determination shall have been reached of all questions in issue before the commissioners.

NOTHING FROM SPAIN.

Expected Attempt to Secure Modification
of the Conditions.

Washington, Aug. 2.—Although this

was the third day since the president delivered to M. Cambon the terms offered by the United States to Spain as a basis of peace, no answer came from Madrid, and, in fact, was scarcely expected. The press reports of the last cabinet meetings held at the Spanish capital yesterday indicated that the Spanish cabinet was unprepared at once to accept the terms offered at once and without appearing to attempt to secure some modification in the interest of Spain.

It is felt that such a course is absolutely imposed upon the Sagasta ministry by the existing conditions in Madrid. Nevertheless, it is not to be seen that the president chartered the slightest intention of consenting to any essential modifications of the conditions, and the slight delay that has occurred in making answer is not believed to be discouraging nor to be taken as a sign of the purpose of the Spanish cabinet ultimately to reject the proposition.

When the doors of the state department closed this afternoon it was realized that owing to the difference of time between Washington and Madrid there was little chance of receiving the expected answer before tomorrow, and, indeed, should it come tonight, the French ambassador would not be able to deliver it, because the time required for its transmission would make the hour too late, and the announcement could not be made until tomorrow.

CABINET SESSION.

The cabinet session today, which had promised to be important, in view of the pending peace propositions, proved to be uneventful. It occupied an hour and a half, but most of the time was devoted to a statement, subsequently given to the press, briefly summarizing the terms of peace. Aside from the discussion of this statement, which was carefully drawn and scrutinized line by line by the members of the cabinet with usual precaution for diplomatic reasons, the meeting was devoted largely to talking over minor war details.

Informal exchange in views of individual members during the meeting indicated a strong belief in peace, though no word of any kind had yet come from the Spanish government.

One member of the cabinet, after the meeting, said he expected the Spanish reply to the government would be made some day this week, but that when peace could be made operative is problematical, and might require two months or more.

The session was marked by an absence of news from the front in any direction.

THE CUBAN CLAIMS.

It is understood to be the present intention of the administration to assume all liability for all the claims against Spain by American citizens against the Spanish government, on account of injury to personal property in Cuba. Some part of this liability may be imposed upon the government of Cuba later on, when that shall have been established, and to include such cases as can be directly charged up against the insurgents, where they have destroyed the property of American citizens in the course of their operations. The assumption by the victorious nation, of liability for peace conditions, is rather in the line of usual practice. At the conclusion of the Mexican war, the United States assumed all such claims in behalf of American citizens and established a special tribunal for their payment. The same course was pursued in 1819, in effecting a settlement of the Florida troubles with Spain, though the decisions announced by the special tribunal were a source of litigation and negotiation clear down to the present time. The amount of these claims against Spain in behalf of Americans who suffered in Cuba was \$15,000,000 at the date of the destruction of the battle ship Maine. It is estimated that this total has been increased to \$20,000,000 since that time, and no doubt is entertained that there are many other claims of large amounts that have not yet been presented.

Of course, it is not possible now to indicate what proportion of the claims are justly chargeable to the acts of the Cuban insurgents, and it is known that in many cases the claimants themselves were unable to tell the source of damage to their property, whether by Spanish troops or the insurgents.

SPANIARDS ACTED QUICKLY.

Report That a Reply Was Demanded
By Wednesday.

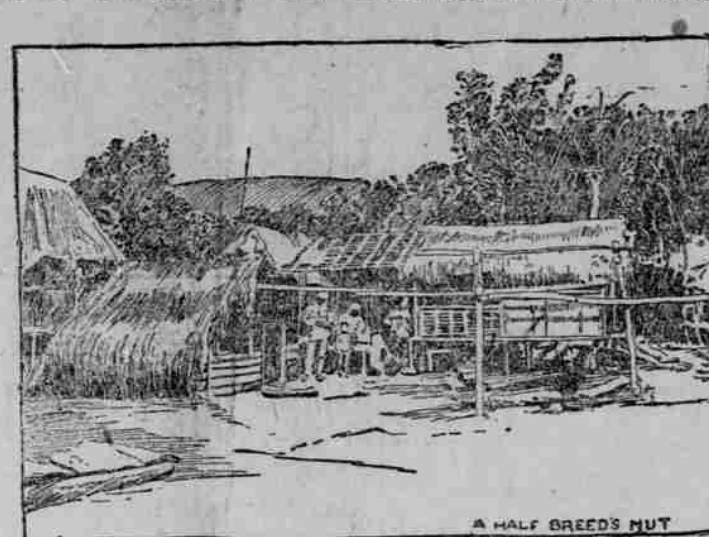
London, Aug. 2.—The Madrid correspondent of the Times, telegraphing Tuesday, says: The rumors that President McKinley insisted on getting a definite reply not later than tomorrow, seem to be confirmed by the unusual

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TYPES OF SOLDIERY AND SCENES IN THE PHILIPPINES.



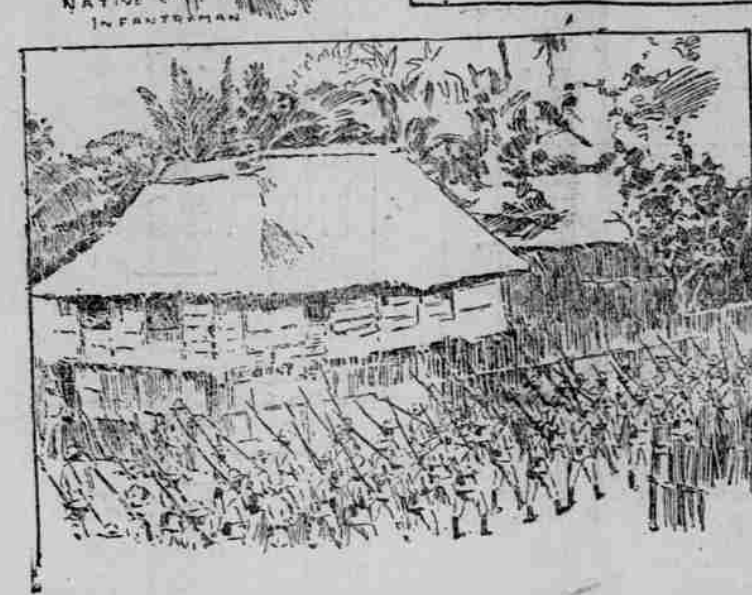
NATIVE INFANTRYMAN



A HALF-BREED'S HUT



NATIVE SOLDIERS



SPANISH SOLDIERS, NEAR MANILA.



SPANISH VOLUNTEERS.

NO ENEMY IN SIGHT

General Miles' Peaceful Invasion of
Porto Rico.

RETREAT OF SPANIARDS

EXPECTED TO MAKE A STAND
AT ALBONITO.But Their Forces Are Too Small to
Make Much Resistance—Believed
at Washington That the Spanish
Troops Have Been Instructed to
Yield Without a Struggle.

(Copyright, 1898, by the Associated Press.)
Ponce, Aug. 1, 6 p. m.—An outpost of the American army has now halted at Coamo, about two-thirds of the way to Albionito, on the road to San Juan. Colonel Hulings' advance this morning met a detail sent out to reconnoitre, which reported that there was no sign of the enemy. The latter, it was said, had retreated to Albionito, where they would make a stand. A delegation of the citizens of Coamo came out, and the Spaniards were tendered the freedom of the city, as an American soldier. The citizens reported that the Spaniards had carried away all the money that was not secreted. The stories of Spanish barbarities have been greatly exaggerated. There is no authentic case of destruction of private property or outrage upon women. General Olegui is still at Albionito, with probably 1,000 Spanish soldiers.

General Stone, with a small force, went this afternoon to Adjuntas, where Spanish outrages were reported on Saturday. He will occupy the town, proclaim American rule, establish communication with the surrounding country and put on to Acoabo, on the north coast.

General Garretson's brigade arrived this afternoon from Yauco, 16 miles distant. Its arrival was loudly cheered by the citizens of Ponce.

The protected cruiser Columbia, which went ashore on an unchartered wharf while entering the harbor of Ponce, has been floated off without injury.

A BLOODLESS INVASION.

Spanish Forces Are Not Expected to
Make Resistance.

Washington, Aug. 2.—Some reports which have been received from Porto Rico, but for political reasons cannot be made public, have given great satisfaction to the officials of the war department, since they go to show that the resistance which can be made by the Spanish troops will be very little, and it is even possible that General Miles will achieve an almost bloodless victory. In fact, it has been suggested, with some plausibility, that the Madrid government, realizing the impendency of peace and the lack of loyalty towards the monarchy of the mass of Porto Ricans, has allowed the Spanish garrisons of the island to understand that they are not expected to sacrifice their lives in useless resistance to superior force, so that all that is to be expected is to be a rather formal opposition to the progress of General Miles' triumphant march across the island.

Mechanics and Laborers.

Jacksonville, Fla., Aug. 2.—The government transport Uto, which arrived in this port one week ago, left today for Porto Rico. She carried a force of 75 mechanics, nearly 600 colored laborers and about 600,000 feet of lumber, which will be used in constructing the pontoon and buildings for use by the United States troops in their invasion of the islands. A large supply of all kinds of building material was also included in the cargo.

Bismarck Denounced.

Berlin, Aug. 2.—The Vorwaerts, in its first article on the deceased statesman, denounces him and his policy from beginning to end, though with an affected show of moderation.

Duke Ernest Guenther of Schleswig-Holstein, brother of the empress of Germany, was married at the court church at Coburg to Princess Dorothea Maria Henriette Augustine Louise of Saxe-Coburg, a second daughter of the late king, who was served in the throne room of the palace.

OTIS AT HONOLULU

Another American Expedition En-
tertained By Hawaiians.

PROSPECTS FOR A CABLE

PROMOTERS ARE SANGUINE OF
EARLY SUCCESS.Hawaii Will Have No Military Gov-
ernor—Otis Will Not Wait For the
Flag Raising—Entertained By
President Dole and His Staff—
Troops In Good Health.

San Francisco, Aug. 2.—The steamer Doric, which arrived from Yokohama and Hongkong via Honolulu today, brings the following advices to the Associated Press from Honolulu, under date of July 26:

The transports Peru and City of Puebla arrived from San Francisco early on the morning of the 23d. The voyage down was uneventful, there were no deaths and but little sickness among the men. Three men with typhoid were moved from the ships to the local Red Cross hospital. Since the vessels arrived the men have been allowed shore liberty. Today the troops will be stationed on the grounds of the executive building.

President Dole, with his cabinet and Minister Hays, received Major General Otis and staff at the government building yesterday morning. The garrison and band turned out in honor of the visitors. The reception was of an extremely cordial nature, and lasted longer than such functions usually do.

General Otis is uncertain as to his stay here. It is understood that he has discretion, in the event of no orders to the contrary, to proceed to Manila, without waiting for Admiral Miller on the Philadelphia, and if the other transports arrive within a day or two, as expected, it is not likely that General Otis' command will wait for the warship, much as he and his force would like to see the flag go up.

Charles H. Watson, band master of the Thirtieth Minnesota regiment, died in this city on the 21st of typhoid fever contracted on the voyage from San Francisco. Three men of General Otis' command are in the Red Cross hospital with typhoid. Lieutenant Hunt of the Fourteenth infantry is among the sick men. The physicians think he will pull through.

Resides the patients mentioned there are three members of the third expedition at the hospital. They are rapidly convalescing, and will be returned to San Francisco at an early date.

PACIFIC CABLE.

Annexation having been accomplished the next important consideration is the cable to the United States. Speed on the prospects of its early laying. General Hartwell, the local attorney for the Serrysmer company, said: "I received nothing from the company by the last mail, sufficient time not having elapsed to allow an answer to my letters and telegrams announcing the signing of a contract with the Hawaiian government."

"My previous information, however, leads me to hope that congress will make an early disposition of the cable bills. Indeed, I may say that the cable promoters have been assured that the bills would receive prompt consideration."

Minister Sewall has received no word of what action President McKinley will take with regard to the temporary administration of the islands. Admiral Miller, he has been officially informed, will bring full instructions as to the formalities which will be observed in effecting a change of sovereignty. General Otis does not look for the arrival of the Philadelphia, carrying the admiral until the 2d or 4th of August. Mr. Sewall thinks the transports due here now shortly will very likely bring news of the determination reached by the president for the provisional government of the islands.

Mrs. Nitina Sumner died on the 21st inst. The deceased was a member of the Tahitian royal family, and came to Hawaii in 1849 in a sailing vessel, under engagement to marry Kamehameha III, who was then king of the Hawaiian Islands. On her arrival she found that the king was dead, and after some time she was married to John K. Sumner.

HEADED OFF BY YOUNG

Stampede of Utah Rough Riders to
Other Troops.

NO TRANSFERS GRANTED

EACH APPLICATION DISAPPROVED
BY THE CAPTAIN.Sergeants McKay and Goodwin Pro-
moted—Arrival of the Utah Bat-
tery at the Presidio — Boys Re-
ceived Tents and Uniforms and
Are Happy and Contented.

(Special to The Herald.)
Jacksonville, Fla., Aug. 2.—Last week 12 men, including several non-commissioned officers, of I troop, applied for transfers to other companies in the regiment. It was subsequently learned that no transfers would be granted, and in consequence no further applications have been filed.

The captains of several troops signified their willingness to fill up the vacancies in their commands with I troop men. It is understood, however, that Captain Young recommended adversely in each case.

Sergeant McKay was yesterday appointed to fill the vacancy caused by the promotion of Sergeant McKay.

First Sergeant Hooper, commissioned second lieutenant, and Sergeant Goodwin was appointed quartermaster sergeant to fill the vacancy caused by the promotion of Sergeant McKay.

BATTERY C HAPPY.

Received Tents and Uniforms and
Went Into Camp.

(Special to The Herald.)
Presidio, San Francisco, Aug. 2.—The battery arrived at Camp Miller, in the Presidio, this morning. It spent last night in the cars in Oakland. We reached "Frisco" at 6:05, where the Red Cross served breakfast. Lieutenant Kimball and a mounted escort met the battery at the pier and escorted us to camp. We have received tentage and camped beside the Utah cavalry, in the best place here. The boys are satisfied and are all well. We have received our uniforms, which were awaiting us.

The cavalry troop received final orders today and will leave for the Yosemite Friday. The engineers expect to leave for Honolulu tomorrow.

PRIVATE BRANDT'S CASE.

Honorably Discharged On the Ground
of Disability.

San Francisco, Aug. 2.—Private Joseph Brandt of the Utah cavalry, who committed the serious offense of sleeping on guard, is to be given an honorable discharge. The court-martial found that Brandt was suffering from lead poisoning, the result of working in a Utah mine, and recommended honorable discharge on the ground of physical disability.

GOLD STAMPEDE IN MONTANA.

Rich Discoveries Made On Moran
Creek, Near Virginia City.

(Special to The Herald.)
Butte, Mont., Aug. 2.—Another gold discovery is reported in Madison county, this time on Moran creek, in the Crater Lake country, about eight miles east of Virginia City. B. J. Fine, an old prospector, made the discovery, and during some prospecting took out \$2 and \$3 to the pan.

News of the find soon reached Virginia City, and in a few hours every man and woman in town who could do so stampeded for Moran creek, and before morning 135 claims had been staked off. Similar stampedes went to Idaho gulch and Fine Grove a few days ago, on the reports of equally rich discoveries.

Singing Evangelist Killed.

(Special to The Herald.)
Butte, Mont., Aug. 2.—Richard Williams, who for a year or more traveled with D. L. Moody as singing evangelist, was killed in the Gray Rock mine this evening, where he had been employed

COLLISION IN
PHILIPPINESSerious Outbreak Expected
at Any Moment.AMERICANS MUST HOLD
INSURGENTS IN CHECKHeavy Reinforcements May Be Sent
From Eastern Camps.

General Merritt Asserts His Authority and Compels Insurgents to Retire From Their Lines—Americans Are Constantly Under Fire, But Have Not Yet Returned a Single Shot—Insurgents Are Simply an Armed Rabble.

Washington, Aug. 2.—The officials here make no concealment of their apprehensions of serious trouble to follow the execution of our programme in regard to the Philippines. The reports of the military and naval commanders of late have contained warnings of expected conflicts with the insurgents and no surprise will be felt at the receipt of news of an outbreak at almost any moment. The United States government, feels that it has assumed a moral obligation towards not only the foreign residents at Manila, but towards the unprotected classes of the Spanish community, women, children, nuns and priests. Therefore, when intimation came that the insurgents were threatening the lives of some helpless monks, orders were sent to the American military commander to look into the matter and to act in the interest of civilization and humanity.

As, according to report, the insurgents have shown particular hostility towards the monks, it is reasonable to expect that before long a collision will have occurred between the Spanish and the American troops if the latter undertake to interfere in the execution of the vengeance of the insurgents.

NEED OF MORE TROOPS.

Eastern Volunteers May Be Sent to
the Philippines.

Washington, Aug. 2.—Although the war department officials will not admit that they have any intention of reinforcing the General Merritt's force at Cavite, there is reason to believe that some of the troops in eastern camps who desire to see active service will soon find the opportunity, unless the government shall change its present plans with respect to the Philippines.

It is believed to be necessary, even if our claim is limited to the terms stated in the conditions submitted in to Spain, namely, to the military occupation of the territory on the shores of the bay of Manila, to furnish General Merritt a larger force than he has now at his command. It is realized that 20,000 soldiers scarcely can be expected to maintain United States possessions and protect the inhabitants over a territory of 100,000 square miles. It is estimated that the bay of Manila is 25 miles deep from the entrance, at Corregidor island, to the city of Manila, at its head.

It will also be necessary to possess and protect a zone extending some distance back to the city, in order to make sufficient preservation of the water.

Of course, a considerable force would not be necessary if the insurgents under Aguinaldo could be brought to realize that their interests lie in permitting undisputed possession of this territory by the United States. But it would be expecting too much of the native character to keep before the eyes of the insurgents the rich loot to be had in Manila without an adequate force to protect the place. Then, with the growing heat and dampness, and the fact that the city will develop among the troops, not to the extent that it appeared at Asutago, but sufficient to require some of the men to be evacuated from the city, the plan to be taken by fresh troops from the United States.

At present a large majority of General Merritt's troops are composed of troops drawn from the Pacific coast and western states. It is presumed that if he should be reinforced, the eastern troops would be given an opportunity to make the long voyage to Manila, as this will be in accord with the policy that the war department has now adopted of taking geographers and well-known Americans in to lotting the troops for active service at the front.

MERRITT AND INSURGENTS.

American Commander Asserts His Authority.

London, Aug. 2.—The correspondent of the Times at Cavite, under date of July 29, says: The arrival of General Merritt has given a great stimulus to military activity in the Camp. Dewey, where Green's brigade has been reinforced by troops from Merritt's transports. The occupation of the country south of Manila has been completed for about a mile east of the shore, but the line does not extend to the river Pasig. No territory is held by the Americans north of the town.

General Green, who directed the active field operations, has established his headquarters near the seashore, under the guns of the warships, about 4,000 yards from the Spanish position and from 800 to 1,000 yards from the insurgent lines, which approach at one point within 150 yards of the enemy.

Here occur daily attacks, which are usually begun by the insurgents. Often these are apparently severe, but they have little result and cause few losses. The Americans have not yet returned a single shot, although they are constantly under fire.

The situation at the front is most extraordinary. Each force is guarding its own lines, but the insurgents are little better than armed rabble. They pass freely through the American camp and mingle with the troops, but they render no assistance and are, indeed, rather a hindrance to the operations.

I am reluctant to believe the report that a certain prominent official assured Aguinaldo that the Americans came simply to support the insurgent cause and establish a republic, yet the attitude of the insurgents, particularly since Aguinaldo's recent proclamation announcing his plans for the future republic, seems ample confirmation. The insurgent leaders are aggressively arrogant, and make no move toward recognizing American authority.

General Merritt has not thus far met